EAST BATON ROUGE TRUANCY ASSESSMENT, INC. Baton Rouge, Louisiana Annual Financial Report

As of and for the Year Ended June 30, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/9///

DONALD C. De VILLE

Certified Public Accountant 7829 Bluebonnet Boulevard Baton Rouge, Louisiana 70810

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INDEPENDENT AUDITOR'S REPORT

October 1, 2010

Members of the Board of Directors East Baton Rouge Truancy Assessment, Inc. Baton Rouge, Louisiana

I have audited the accompanying Statement of Financial Position of East Baton Rouge Truancy Assessment, Inc. (a non-profit organization) as of June 30, 2010 and the related Statements of Activities, Functional Expenses and Cash Flows for the year then ended. The financial statements are the responsibility of East Baton Rouge Truancy Assessment, Inc.'s management. My responsibility is to express an opinion of these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provided a reasonable basis for my opinion.

In my opinion, the financial statement referred to above present fairly, in all material respects, the financial position of East Baton Rouge Truancy Assessment, Inc. as of June 30, 2010, and the changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with <u>Government Auditing Standards</u>, I have also issued my report dated October 1, 2010, on my consideration of East Baton Rouge Truancy Assessment, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with <u>Government Auditing</u> Standards and should be considered in assessing the results of my audit.

Und C. Deville

EAST BATON ROUGE TRUANCY ASSESSMENT, INC. STATEMENT OF FINANCIAL POSITION JUNE 30,2010

ASSETS:	
Cash	\$63,199
Prepaid Insurance	3,131
Fixed Assets, net	7,183
Total Assets	73,513
LIABILITES AND NET ASSETS:	
LIABILITIES:	
Line of Credit Payable	. \$21,786
Employee Withholding Payable	453
Accrued Wages Payable	4,621
Accrued Vacation Payable	2,878
Total Liabilities	29,738
NET ASSETS	
Unrestricted	43,775
TOTAL LIABILITES AND NET ASSETS	<u>\$73,513</u>

EAST BATON ROUGE TRUANCY ASSESSMENT, INC. STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2010

Grants	\$489,673
In-Kind Revenue	143,000
Interest Income	47
Miscellaneous	377
Total Revenue	633,097
EXPENSES:	
Program Services	
Truancy	
Supporting Services:	612,207
Management and General	,
Total Expenses	13,480
·	625,687
Increase (Decrease) in Net Assets	7,410
NET ASSETS AT BEGINNING OF YEAR	36,365
NET ASSETS AT END OF YEAR	43,775

See accompanying notes.

EAST BATON ROUGE TRUANCY ASSESSMENT, INC. STATEMENT OF FUNCTIONAL EXPENSE YEAR ENDED JUNE 30, 2010

	PROGRAM SERVICES	SUPPORT SERVICES	
	TRUANCY	MANAGEMENT AND GENERAL	TOTAL
Salaries	\$513,975	\$11,347	\$525,322
Payroll Taxes	33,037	729	33,766
Accounting	6,247	138	6,385
Bank Charges	143	0	143
Contract Labor	2,196	0	2,196
Depreciation	4,115	0	4,115
Insurance	15,456	0	15,456
Interest Expense	0	1,266	1,266
Miscellaneous	682	0	682
Occupancy	8,000	0	8,000
Payroll Fees	3,611	0	3,611
Postage	1,267	0	1,267
Printing	4,615	0	4,615
Supplies	8,370	0	8,370
Travel	6,639	0	6,639
Telephone	3,854	00	3,854
Total Expenses	612,207	13,480	625,687

EAST BATON ROUGE TRUANCY ASSESSMENT, INC. STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES: Increase (Decrease) in net assets	\$7.410
micrease (Decrease) in her assets	\$7,410
Adjustments to reconcile increases in net assets to net cash provided by operationg activities:	
Depreciation	4,115
Accumulated Depeciation Adjustment	16
(Increases) decreases in operating assets:	
Grants Receivable	36,699
Prepaid Expense	(47)
Increases (decreases) in operating liabilities:	
Accounts Payable	(2,741)
Employee Payroll Deductions	(2,369)
Accrued Wages Payable	(6,063)
Accrued Vacation Payable	(3,974)
NET CASH PROVIDED BY OPERATING ACTIVITIES	33,046
CASH FLOWS FROM INVESTING ACTIVITIES	
Payment of property and equipment	0
NET CASH PROVIDED (USED) BY INVESTING ACTIVITEIS	0
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on Line of Credit	(731)
Payments on Lease Payable	(139)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(870)
Net Increase in Net Assets	32,176
BEGINNING CASH AND CASH EQUVALENTS	31,023
ENDING CASH AND CASH EQUIVALENTS	63,199
Supplemental Data:,	
Interest Expense	<u>\$1,265</u>

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Organization

The East Baton Rouge Truancy Assessment, Inc. (Organization) is a Louisiana non-profit voluntary health organization, incorporated on February 21, 2001, for the purpose of combating truancy in East Baton Rouge.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis. The Organization reports information regarding its financial position ad activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Currently the Organization has no temporarily or permanently restricted net assets.

Revenue Recognition

Contributions and grants received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions and grants are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Contributions and grants received with donor-imposed restrictions that are met in the same year in which the contributions or grants are received are classified as unrestricted contributions and grants.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. There were no allowances for uncollectible because the receivables consist of grants and contracts receivable.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Prepaid

Insurance and similar services which extend benefit over more than one accounting period have been recorded as prepaid.

Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method.

Income Tax Status

The Organization is exempt from Federal Income Taxes under Section 501 (c) (3) of the Internal Revenue Code. In addition, the Organization has been classified as an entity that is not a private foundation within the meaning of Section 509 (a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). Accordingly, no provision has been made for income taxes in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing the various program and activities has been summarized on a functional basis in the statement of activities. Accordingly, certain cost have been allocated amount the programs and supporting services benefited.

NOTE 2 - CONCENTRATION OF CREDIT RISK FOR CASH HELD IN BANK

The Organization maintains a two bank accounts at a financial institutions. The Organization's book balance as of June 30, 2010 was \$63,199. Cash in this institutions were maintained in a demand accounts. The \$72,263 bank balances were insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

NOTE 3 - FIXED ASSETS

A summary of fixed assets follows:

Equipment Cost	\$41,983
Accumulated Depreciation	(34,760)
Book Value	7,183

NOTE 4 – <u>LINE OF CREDIT</u>

The Organization has a commercial line of credit of \$20,000 at 6% from Regions Bank. At year end, the line of credit outstanding was \$21,786. In September 2010, the Organization paid \$18,000 toward the line of credit.

NOTE 5 - VACATION PAYABLE

At year-end the Organization's accumulated vacation payable totaled \$2,878.

NOTE 6 – IN-KIND CONTRIBUTIONS

During the year the Organization received \$143,000 in-kind contributions as follows:

Salaries from East Baton Rouge School System - \$120,000 Salaries from East Baton Rouge Juvenile Court - 15,000 Office Space from East Baton Rouge School System - 8,000

NOTE 7 - RELATED PARTY TRANSACTIONS

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

NOTE 8 – <u>CONCENTRATIONS</u>

The Organization receives 99% of its revenue from state government grants.

NOTE 9 – ECONOMIC DEPENDENCY

The Organization receives the majority of its funds provided through government grants and contracts. If significant budget cuts are made at the federal/state level the amount of funds the Organization receives could be reduced significantly and have an impact on its operations. Management is aware of budget cuts and is making the necessary reductions in expenses and exploring additional funding sources that hopefully not adversely affect the amount of funds the Organization will receive in the next fiscal year.

NOTE 10 - RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Organization has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No claims were made during the year.

NOTE 11 - CONTINGENCIES

The Organization receives a portion of its revenues from governmental grants and contracts, all of which are subject to audit by the governments. The ultimate determination of amounts received under these programs generally is based upon allowable cost reported to and are subject to audit by the government. Until such audits, if any, there exists a contingency to refund any amount received in excess of allowable cost. Management is of the opinion that no material liability will result from such audits.

NOTE 12 – SUBSEQUENT EVENTS

The Organization did not have any subsequent events through October 1, 2010, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the year ended June 30, 2010.

SUPPLEMENTAL INFORMATION

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

October 1, 2010

Members of the Board of Director East Baton Rouge Truancy Assessment, Inc. Baton Rouge, Louisiana

I have audited the financial statements of the Capital Area Family Violence Intervention Center, Inc. as of and for the year ended June 30, 2010, and have issued my report thereon dated October 1, 2010. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing my audit, I considered Capital Area Family Violence Intervention Center, Inc.'s internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatement on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiency in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Capital Area Family Violence Intervention Center, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my test disclosed no instances of noncompliance that are required to be reported under <u>Government Auditing Standards</u>.

This report is intended for the information of the management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document and distribution is not limited.

EAST BATON ROUGE TRUANCY ASSESSMENT, INC. SCHEDULE OF PRIOR YEAR'S FINDINGS FOR THE YEAR ENDED JUNE 30, 2010

Fiscal Year
Finding
Re Initially Corre

No. Occurred

Corrective

Corrective Action Taken Action (Yes, No, Partially) Taken

None

Description of Finding

EAST BATON ROUGE TRUANCY ASSESSMENT, INC. SCHEDULE OF FINDINGS AND QUESTIONED COST FOR THE YEAR ENDED JUNE 30, 2010

A. Summary of Auditor's Result

Financial Statements

Type of auditor's report issued: Unqualified

- No material weaknesses identified.
- No significant deficiencies identified that are not considered to a material weakness.

No noncompliance material to financial statements noted.

Federal Awards: Not Applicable

B. Findings - Financial Statement Audit

None